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BEFORE THE
Federal Communications Commission
WASHINGTON, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)

Revision of Part 22 and Part 90 of the)
Commission's Rules to Facilitate)
Future Development of Paging Systems)

WT Docket No. 96-18

Implementation of Section 309(j))
of the Communications Act - -)
Competitive Bidding)

PP Docket No. 93-253 ✓

**REPLY COMMENTS OF
ARCH COMMUNICATIONS GROUP, INC.**

Pursuant to Sections 1.415 and 1.419 of the Commission's rules, 47 C.F.R.

§ § 1.415 and 1.419, Arch Communications Group, Inc. ("Arch"),¹ by its attorneys,
hereby submits these Reply Comments in response to the Commission's Second Further
Notice of Proposed Rule Making in the above-captioned dockets.² Arch agrees with the
overwhelming majority of commenters that the Commission should not adopt additional
construction requirements for nationwide licensees and should not allow paging licensees
to disaggregate their 25 kHz base station spectrum at this time.

¹ Arch is a nationwide paging carrier and a leading provider of paging services with over 3 million pagers currently in service. Arch operates in more than 40 states, and in 80 of the 100 largest markets in the United States.

² *In the Matter of Revision of Part 22 and Part 90 of the Commission's Rules to Facilitate Future Development of Paging Systems; Implementation of Section 309(j) of the Communications Act - - Competitive Bidding*, Second Report and Order and Further Notice of Proposed Rulemaking, 12 FCC Rcd 2732 (1997) ("Market Area Second R&O").

I. SUBJECTING NATIONWIDE LICENSEES TO NEW BUILD-OUT REQUIREMENTS SERVES NO PURPOSE AND IS CONTRARY TO THE PUBLIC INTEREST

The Commission has already imposed, and nationwide paging licensees have already satisfied, substantial build-out and coverage requirements. Specifically, each 931 MHz nationwide licensee was required to serve a minimum of 15 standard metropolitan statistical areas within one year of grant of its nationwide license, and to offer service on a nationwide level within two years of grant.³ 929 MHz nationwide licensees were required to place in operation 300 transmitters that provided service in 50 of the markets listed in § 90.741 of the Commission's rules, including 25 of the top 50 markets, and two markets in each of the seven Bell regions.⁴ This construction had to be completed within eight months of licensing the system.⁵ As the Commission has acknowledged, the record demonstrates that existing licensees "have developed successful and efficient nationwide networks under the pre-existing rules - in fact, in most cases they have substantially exceeded the construction thresholds required to earn nationwide exclusivity"⁶

³ *Amendment of Parts 2 and 22 of the Commission's Rules to Allocate Spectrum in the 928-941 MHz Band and to Establish Other Rules and Policies, and Procedures for One-Way Paging Stations in the Domestic Public Land Mobile Radio Service*, Memorandum Opinion and Order on Reconsideration, 93 FCC 2d 908, 917-918 (1983); Third Report and Order, 97 FCC 2d 900, 901 (1984).

⁴ 47 C.F.R. § 90.495(a)(3); *see Amendment of the Commission's Rules to Provide Channel Exclusivity to Qualified Private Paging Systems at 929-930 MHz*, Report and Order, 8 FCC Rcd 8318 (1993) ("Channel Exclusivity").

⁵ *Id.*

⁶ *Market Area Second R&O*, at ¶ 50.

To the extent the Commission is contemplating superimposing a second layer of construction and coverage requirements on nationwide licensees as a means of encouraging rapid deployment of service and preventing frequency warehousing, Arch agrees with the majority of commenters that these objectives have been satisfied by the substantial build-out already completed by nationwide paging licensees.⁷

Further, as several commenters point out, nationwide carriers like Arch have invested millions of dollars to build their systems, and must now continually expand and improve their coverage in order to protect their investment by remaining competitive with other nationwide carriers.⁸ Nationwide paging licensees thus have an overwhelming financial incentive to deploy their spectrum in the most efficient, effective and timely manner, thereby ensuring there is no frequency warehousing or delay in service.

Finally, Arch agrees with PCIA that modifying the coverage requirements for existing nationwide carriers could hamper continued service to the public.⁹ Nationwide carriers developed their business plans and implemented deployment schedules based on existing coverage and build-out requirements, as well as marketplace considerations. As PCIA points out, imposing new, arbitrary coverage standards could lead to inefficient investment by carriers, thereby hampering their ability to continue to expand and improve

⁷ Comments of The Personal Communications Industry Association ("PCIA") at 2-6; AirTouch Paging ("AirTouch") at 2-3; Paging Network, Inc. ("PageNet") at 2-9; ProNet, Inc. ("ProNet") at 2-7; PageMart II, Inc. ("PageMart") at 2-4; Metrocall, Inc. ("Metrocall") at 3-7.

⁸ PageNet at 5-7; Metrocall at 5-9; PageMart at 2-4; ProNet at 3-5; AirTouch at 4.

⁹ PCIA at 5-6.

their existing systems.¹⁰ Thus, superimposing a second layer of construction requirements not only serves no discernable purpose, it may well harm service to the public.

**II. ALLOWING PAGING LICENSEES TO DISAGGREGATE WILL
DEVALUE PAGING SPECTRUM AND INCREASE INCIDENCES OF
INTERFERENCE**

Arch agrees that the Commission should not allow paging carriers to disaggregate paging spectrum at this time.¹¹ Specifically, because paging base channels are already small (25 kHz), dividing them into smaller portions makes the spectrum less desirable thereby reducing its economic viability and usefulness. More importantly, however, incidences of co-channel and adjacent channel interference will increase as the widths of the 25 kHz channels are further reduced.

Respectfully submitted,

Arch Communications Group, Inc.

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May 1, 1997

¹⁰ *Id.*

¹¹ PCIA at-8; PageNet at 11; PageMart at 4-5; Metrocall at 23.

CERTIFICATE OF SERVICE

I, Joy M. Griffiths, do hereby certify that I have, on this 1st day of May, 1997, caused to be served by first class U.S. mail, postage prepaid, a copy of the foregoing Reply Comments to the following:

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